

Message Text

LIMITED OFFICIAL USE

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ACTION EB-08

INFO OCT-01 IO-13 ISO-00 STRE-00 AF-10 ARA-10 EA-10
EUR-12 NEA-11 OIC-02 CTME-00 JUSE-00 AGRE-00
CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05
SS-15 STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 /169 W
-----076248 051536Z /46

P 051457Z JUN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 0438
INFO ALL EC CAPITALS

LIMITED OFFICIAL USE SECTION 1 OF 2 GENEVA 8526

USMTN

PASS ELECTRONICALLY STR (STARKEY) AND USDA (HATHAWAY)
STR PASS CODEL
LONDON FOR SAYLOR

E.O. 11652: N/A
TAGS: MTN, ETRD
SUBJECT: EC PROPOSAL FOR BILATERAL AGREEMENT ON CHEESES
WITH US

REF: GENEVA 5589 AND 5826

1. IN THE US/EC BILATERAL ON DAIRY PRODUCTS HELD ON
JUNE 2 THE EC SUBMITTED TO US THE FOLLOWING TEXT CON-
CERNING A BILATERAL US/EC AGREEMENT ON CHEESES. IN A
SEPARATE CABLE WE WILL REPORT IN DETAIL THE DISCUSSIONS
WITH THE EC ON THIS SUBJECT.

2. THE FOLLOWING IS A DELEGATION TRANSLATION OF THE EC
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PROPOSAL:

3. BEGIN TEXT: PROPOSAL FOR A BILATERAL ARRANGEMENT OF
CONCERTED DISCIPLINES BETWEEN THE COMMUNITY AND THE US
CONCERNING CHEESE EXPORTS FROM THE COMMUNITY TO THE U.S.

4. THIS PROPOSAL IS MADE IN THE FRAMEWORK OF THE NEGOTIA-

TIONS WHICH TAKE PLACE IN THE DAIRY SUBGROUP. IT CONCERNS CONCERTED DISCIPLINES REGARDING CHEESE EXPORTS FROM THE COMMUNITY TO THE U.S.

5. THE COMMUNITY PROPOSES:

A) THAT AS REGARDS THE MANAGEMENT OF ITS CHEESE IMPORT POLICY THE UNITED STATES COMMITS ITSELF:

- NOT TO IMPOSE COUNTERVAILING DUTIES ON THE CHEESES IMPORTED FROM THE COMMUNITY IF THE COMMUNITY RESPECTS THE EXPORT DISCIPLINE DEFINED BELOW;
- NOT TO REDUCE THE VOLUME OF THE QUOTAS GRANTED TO THE MEMBER STATES OF THE COMMUNITY IN THE ADMINISTRATION OF THE QUOTA SYSTEM;
- AS REGARDS IMPORTS FROM OTHER THIRD COUNTRIES THE SYSTEM APPLICABLE TO THEM SHOULD NOT BE SUCH AS TO PLACE THEIR EXPORTS INTO A MORE FAVORABLE COMPETITIVE POSITION THAN CHEESES FROM THE COMMUNITY, TAKING INTO ACCOUNT QUALITY DIFFERENCES.

B) AS REGARDS THE MANAGEMENT OF ITS POLICY OF EXPORT RESTITUTIONS THE COMMUNITY COMMITS ITSELF TO PRACTICE A NON-AGGRESSIVE COMMERCIAL POLICY. THIS POLICY WOULD BE SUCH AS TO PERMIT AT THE SAME TIME TO GUARANTEE TO LIMITED OFFICIAL USE

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AMERICAN PRODUCERS THAT THE CHEESE IMPORTS FROM THE COMMUNITY DO NOT ENDANGER THE SYSTEM OF PRICE SUPPORT FOR CHEESE ESTABLISHED WITHIN THE FRAMEWORK OF THE AMERICAN AGRICULTURAL POLICY AND THAT THE COMMUNITY EXPORTERS WILL AGAIN ATTAIN AND MAINTAIN THE LEVEL CORRESPONDING TO THE NORMAL SHARE OF THE COMMUNITY ON THE AMERICAN MARKET FOR IMPORTED CHEESES IN ACCORDANCE WITH THE PREVIOUS SITUATION. (AS NORMAL SHARE IS CONSIDERED THE SHARE WHICH THE COMMUNITY HELD ON THE AMERICAN MARKET IN 1975.)

6. THIS SIGNIFIES THAT:

- THE COMMUNITY SUSPENDS THE APPLICATION OF RESTITUTIONS FOR CHEESES OF THE TYPE CHEDDAR, COLBY, AND MONTEREY WHICH ARE TRADITIONALLY THE MOST IMPORTANT DOMESTIC CHEESES.
- FOR THE OTHER CHEESES THE COMMUNITY WOULD GRANT RESTITUTIONS CALCULATED IN VIEW OF THE NECESSITY OF MAINTAINING A RELATIVELY CONSTANT DIFFERENCE OF THE FIXED PRICE FOR THE DIFFERENT CHEESES TO TAKE ACCOUNT

OF THE QUALITATIVE PREMIUM BETWEEN THE DOMESTIC
PRODUCT AND THE CORRESPONDING IMPORTED COMMUNITY
PRODUCT. THE ADJUSTMENT OF THE RESTITUTIONS WOULD
BE MADE IN ACCORDANCE WITH THE CONSEQUENCES WHICH
WOULD RESULT (FOR A PILOT RESTITUTION) FROM THE
MODIFICATIONS OF THE SUPPORT PRICE FOR AMERICAN
CHEDDAR AND THE MARKET PRICES OF CHEDDAR IN THE
COMMUNITY, EXPRESSED IN DOLLARS.

7. THIS ARRANGEMENT SHOULD BE INCORPORATED IN PROTOCOL
NUMBER III SUCH AS IT APPEARS IN THE DRAFT FOR AN INTER-
NATIONAL ARRANGEMENT CONCERNING THE DAIRY PRODUCT SECTOR.
END TEXT.

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LIMITED OFFICIAL USE SECTION 2 OF 2 GENEVA 8526

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8. DRAFTED BY KOENIG. MCDONALD

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Message Attributes

Automatic Decaptioning: X
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Concepts: DAIRY PRODUCTS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Remarks:
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